

METHOD OF OPERATING A MICRO-ENVIRONMENT WITHIN A COMMERCIAL  
COMPLEX TO PROMOTE SALES OF PARTICULAR PRODUCTS AND  
SERVICES OFFERED BY PARTICIPATING RETAIL MERCHANTS

Related Applications

5           This application claims priority from U.S. Provisional Application Serial No.  
60/408,334, filed on September 6, 2002.

Field of the Invention

          The present invention relates to business methods, and in particular, to a method  
of operating a microenvironment within a commercial complex, such as a shopping mall,  
10   to provide entertainment and/or other activities designed to promote sales of particular  
products and services offered by participating retail merchants.

Background of the Invention

          While there are many large mass retail merchandize stores, such as Walmart®,  
Target®, Kmart®, etc., and large department stores, such as Macy's®,  
15   Bloomingdales®, Hechts®, etc., that sell a wide variety of consumer goods, many  
smaller retail merchants have to specialize to set themselves apart from the rest. For  
example, in shopping malls across the country, there are many specialty stores that sell  
specific types of consumer goods, such as clothing, shoes, books, furniture, cookware,  
dishes, sporting goods, toys, etc. These establishments specialize in and deal with  
20   particular goods and are able to provide merchandize of a specialized nature as a  
means of attracting customers to their stores.

          Developing a marketing strategy that includes specialization often includes  
promoting products and services in a unique way to focus on the differences between

the specialized products and other more general products. Many such retail establishments spend considerable time, money and effort creating concepts and images for branding purposes, and then conveying those concepts and images to consumers through advertising and other marketing methods to attract consumers to their stores. This can be done, for example, by using the décor of the store itself, including the style, design, colors, etc., so that consumers who are interested in those styles, etc., will be drawn to the establishment. In this respect, the décor is often designed to be compatible with the products and services that are offered at the establishment.

Another method that some retail establishments use, in addition to specialization, is offering activities that are related to the products and services offered by the stores as a means of attracting new customers. For example, a cookware store might offer cooking classes, and an arts supply store might offer art classes. Stores have also begun to provide entertainment to attract customers. For example, McDonalds® has children's playgrounds to get kids to come to their restaurants. Rain Forest Café® and Chuck E Cheese® have animated characters and other entertainment to attract consumers. Sporting goods stores, such as Galyans®, have rock climbing walls, while others have indoor skiing facilities.

Entire shopping malls can also provide activities and entertainment to attract customers. For example, movie theaters are commonly found in large shopping malls to attract customers to the malls. Some large malls even have built roller coaster rides and other attractions, while others have built-in playgrounds, and put on free concerts,

exhibits, and galleries, etc. During Christmas time, malls typically have extensive decorations, Christmas trees, and Santa Claus, all designed to attract customers.

One of the drawbacks of previous attempts in shopping malls like these have been that the activities and entertainment have not necessarily been targeted to promote the particular products and services that are offered for sale by the retail merchants located at the mall. In many cases, the entertainment is provided generally to attract people to the mall, but not necessarily to promote any particular goods or services of a particular retail merchant. Accordingly, consumers often simply come for the entertainment or activity, and end up not buying the products and services offered by the retail merchants that pay rent at the mall. Moreover, while some large retail stores that are not located in shopping malls are able to provide promotional activities in their own stores, many smaller retail merchants that occupy space in shopping malls often don't have the resources or the space to offer them on their own.

What is needed, therefore, is a method of operating a micro-environment within a commercial complex, such as a shopping mall, designed to provide activities and entertainment that are specifically targeted to the products and services being offered for sale by the participating retail merchants that occupy and rent space there, wherein the activities and entertainment can attract customers to the commercial complex, but also help promote sales of the specific products and services that they offer.

### Summary of Invention

The present invention relates to a method of promoting sales of particular goods and services offered by particular retail establishments within a commercial complex, such as a shopping mall, comprising the use of a micro-environment within the complex

having a theme associated with the particular goods and services offered by the participating retail merchants. The invention contemplates that the micro-environment can be located within the shopping mall adjacent or in close proximity to the participating retail merchants, and that at least one activity or entertainment can be provided within the micro-environment with a theme relating to the particular goods and services offered by the retail establishments. This way, the activity or activities can be designed to not only entertain and attract customers to the mall, but also to provide a means of promoting the particular goods and services offered by the participating retail establishments.

An example of the present invention relates to a micro-environment within a shopping mall having a theme that relates to the products and services of at least two retail merchants located in or adjacent the micro-environment. For example, in a shopping mall, a micro-environment can be developed in connection with a theme relating to sports and outdoor activities, wherein in or adjacent to the micro-environment, there can be located a sporting goods store, an outdoor clothing store, and other specialty stores that sell various outdoor gear and equipment, such as skate boards, surf boards, snow boards, sunglasses, beachwear, etc. Likewise, the micro-environment can comprise of, without limitation, any one or more of the following: a rock climbing wall, a putting green, a golf driving range or net, a wave pool, a wave machine, a skate park, an off-road vehicle course, a simulated skiing machine, a simulated surf machine, a swim exercise pool, an underwater diving tank, an ice skating rink, a basketball court, an exhibition hall, a theater showing specific themed movies, a ride tailored to related subjects, etc. In such case, the sporting goods store, as well as

the specialty stores, can have their sports equipment and other products tried and tested by consumers in the microenvironment. Retail merchants can use the microenvironment to enable specific products and services to be tried and tested there, while consumers can participate in and enjoy the activities.

5           A merchant that offers services could also be located in or adjacent the microenvironment, wherein the services can be promoted by the activity. For example, in connection with the above sports activities, an outdoor excursion guide business can be provided, wherein lessons and other information relating to the activities can be provided as a means of attracting customers to the guide business. That is, an  
10   employee of the business can offer, for instance, rock-climbing lessons at the rock-climbing wall, as a means of promoting their rock climbing excursion adventures.

          The microenvironment can also be altered during different seasons. In the above example, the rock climbing wall, putting green, indoor golf driving net, swim exercise pool, and underwater diving tank, can be offered during the summer months, while the  
15   simulated skiing and ice skating rink can be offered during the winter months. This way, the microenvironment can be geared specifically towards the particular goods and services that are likely to be popular during any given time of year.

          The present invention also contemplates that mall developers can use the microenvironment as a means of attracting the right kind of retail merchants to the mall.  
20   That is, in any development, mall developers have a strong interest in attracting the right kind of retail merchants to occupy space there, since the quality of the tenants will largely dictate the quality of the overall mall, and shopping experience, and therefore, the success of the development. By being able to offer a microenvironment within a

shopping mall specifically designed with a theme that relates to the particular products and services that are being offered for sale by the desired retail merchants, mall developers can attract and encourage those merchants to occupy space at the mall. The merchants would presumably have an interest in using the microenvironment to promote their products and services, since it can be specifically tailored to their businesses.

#### Brief Description of the Drawings

Figure 1 shows an example of an indoor/outdoor application of a microenvironment of the present invention in a shopping mall environment.

#### Detailed Description of the Invention

The development of a shopping mall typically involves a complex series of events that must be coordinated for the development to be successful. To the average consumer, there is no indication on the outside of the enormous amount of time, effort and resources that are required to enable a shopping mall to be developed and operated.

In the beginning, there must be a vision, and enough talent and resources to get the project off the ground. The initial steps, in many cases, begin with the mall concept, as well as the selection of a location. In this respect, marketing studies are often performed to determine the best location, as well as what kinds of retail establishments should occupy space at the mall. These decisions are often based on geographical and demographical marketing information about the kinds of communities that will eventually be located near the mall, as well as the economic statuses of the consumers who will eventually shop there. Various studies relating to the economic conditions and wealth

statuses of the area, including future prospects for employment and growth, are likely to be conducted. Specific studies relating to various zoning and density requirements, ordinances, easements, environmental impacts, availability of utilities, transportation, roads and services, land use restrictions, etc. will also have to be considered.

- 5 Permission from government agencies and boards, as well as political groups, are also often required to obtain approval.

These are just some of the issues that must be dealt with to develop a shopping mall. There are also a number of financial issues, including how the cost of the project is going to be financed and by whom. This could involve obtaining loans from financial  
10 institutions or obtaining funding from investors, whether they are individuals or companies. When obtaining money from investors, decisions will often have to be made, and disclosures will often have to be given, with respect to how the costs and benefits will be apportioned and spent. Other decisions that have to be made include  
15 deciding who the contractors and sub-contractors are going to be, which can involve obtaining quotes and bidding the project to potential contractors. Specifications, in such case, such as designed by a design firm responsible for the architectural and engineering drawings and designs, as well as city and regional planning issues, will also have to be addressed.

Another issue that mall developers have to deal with involves selecting the right  
20 retail merchants that are going to occupy and lease space at the mall. This process can be complicated by the fact that negotiations often have to be entered into with respect to each prospective tenant, and each one presumably has its own interests and concerns that must be considered and discussed. Some prospective tenants may be essential to

the mall, such as large department stores, which may be the focus of the initial development efforts. For example, in any given mall, the fact that Nordstrum, Macy's, Saks Fifth Avenue, etc., might agree to occupy space at the mall could change the entire complexion of the development, both from the standpoint of the size and scope of construction, as well as who the other tenants will be. As is often the case, a decision by one tenant may end up being the reason that another tenant might agree to occupy space there. Various agreements would also have to be entered into in order to assure that the right kinds of tenants will occupy space at the mall. The decision whether to occupy space at a particular mall, and the extent of their involvement, will ultimately be decided upon by the retail merchants themselves.

Within this context, mall developers have a number of important options and decisions to make concerning the development of the mall. In this respect, they are often required to deal with the prospect that they can't always control every factor that relates to the mall's development. The present invention contemplates that mall developers will be able to attract prospective and desirable retail tenants by providing a microenvironment within the mall specifically designed to provide activities and entertainment that will help promote sales of the particular goods and services being offered for sale by the participating retail merchants. They are also designed to be entertaining and enjoyable to consumers so as to attract customers to the mall and to the stores.

For example, if mall developers want to have a sporting goods store located at the mall, they can improve the chances of attracting the right kind of sporting goods store by offering a package that includes the construction of a micro-environment within

the mall designed to promote the specific kinds of goods and services to be sold by the desired store. An example might be the construction of a rock climbing wall inside the mall located adjacent where the sporting goods store will be located, wherein consumers who want to climb the wall will be exposed to a wide variety of products, such as rock climbing gear, shoes, ropes, etc., that are offered by the store. This way, customers may choose to come to the mall to try the rock-climbing wall, and end up buying some of the products offered by the adjacent store. This is also true of having a golf driving range and putting greens adjacent the sporting goods store, wherein consumers can try out the latest types of golf clubs before deciding which ones to buy.

Additional retail merchants that stand to benefit from the activity, such as outdoor clothing and excursion guide businesses, and other specialty product stores, can also be located in or adjacent the micro-environment, so that by operating the activity, the mall can help promote the specific products and services offered for sale by the participating retail merchants. The fact that the developers can offer this type of package means that the right kind of retail merchants will have more of an incentive to occupy space at the mall.

In one aspect, the present invention relates to a method of promoting sales of goods and services offered by particular retail merchants within a commercial complex, such as a shopping mall, and contemplates creating a micro-environment within the complex having a theme associated with the goods and services offered by the participating retail establishments. The invention contemplates that the micro-environment can be located within the shopping mall, including indoor and outdoor areas, adjacent or in close proximity to the participating retail merchants, so that an

immediate association can be made in the minds of the consumers between the activity and the merchants. For example, at least one activity can be provided within the microenvironment that matches a theme relating to the particular goods and services offered by the merchants. This way, the activity can be designed to not only provide  
5 entertainment and attract customers to the mall, but it can also provide a means by which the participating retail merchants can promote sales of particular goods and services that they offer.

An example is a micro-environment having a theme that relates to at least two retail merchants located at the mall, i.e., in or adjacent the micro-environment. For  
10 example, in a shopping mall, the micro-environment can have a sports or outdoor theme, wherein in or adjacent the micro-environment, there can be a sporting goods store, an outdoor clothing store, and specialty stores that are tailored to specific activities located in the micro-environment. The activities provided in the micro-environment can, in turn, be one or more of the following: a rock climbing wall, a putting  
15 green, a golf driving range or net, a wave pool, a wave machine, a skate park, an off-road vehicle course, a simulated skiing machine, a simulated surf machine, a swim exercise pool, an underwater diving tank, an ice skating rink, a basketball court, an exhibition hall, a theater showing specific themed movies, a ride tailored to related subjects, etc. In this respect, the invention contemplates that specialty stores, such as  
20 those that sell skate boards, snow boards, surf boards, sunglasses, beachwear, and other paraphernalia, could also be located in or adjacent the micro-environment. In such case, the sporting goods store can allow their sports equipment to be used and

tested by consumers in the microenvironment, while specialty stores can rent or otherwise allow customers to try their devices and products.

Merchants that offer services can also be located adjacent the activity, wherein the services can be promoted by the activity. For example, in connection with the above-identified activities, an outdoor excursion guide business can be located in close proximity to the activity, wherein lessons and other information relating to the activities can be provided as a means of promoting the business. An employee of the business can offer, for instance, rock-climbing lessons at the rock-climbing wall as a means of promoting their rock-climbing excursion adventures.

The microenvironment can also include exterior areas of the mall property. For example, in the above example, a variety of outdoor activities can be provided in an outdoor area adjacent the participating retail merchants. For example, the mall could incorporate an outdoor off-road vehicle course, such as the one described in pending provisional application no. 60/426,380, filed by Applicant on November 15, 2002, which is incorporated herein by reference in its entirety. It could also have an outdoor skating rink, skate park, a golf driving range, a putting green, as well as surfing machines and wave pools, etc. Any one of the activities described above, as well as other activities, can be provided as part of an outdoor portion of the microenvironment. In this respect, the present invention contemplates that the microenvironment can be located all indoors, all outdoors, or some indoors and outdoors. Depending on the climate where the mall is located, all of the activities could be provided outdoors if desired.

The microenvironment can also be altered during different seasons. In the above example, the golf driving range, putting green, wave pool, skate park, etc., can be

offered during the summer months. On the other hand, the simulated skiing and ice skating rink can be offered during the winter months. This way, the microenvironment can be geared specifically towards the particular goods and services that are likely to be popular during any given time of year. Any of various activities can be rotated  
5 throughout the seasons depending on what kinds of goods and services are to be promoted.

While the example of a sports and outdoor activity theme is provided, the present invention contemplates that virtually any activity that is consistent with a chosen theme that relates to the particular products and services being offered for sale by the  
10 participating retail merchants can be provided. Other examples include: fashion design and make-up activities in close proximity to clothing and beauty supply stores; concerts and musical activities in close proximity to stores that sell cd's, tapes and musical instruments; cooking and tasting displays in close proximity to cookware and unique food stores, etc.

15 The present invention contemplates that the microenvironment can be independently operated by a separate business operated for profit within the shopping mall, or it can be operated by the shopping mall, or by the retail merchants that occupy space at the mall, individually or collectively, depending on what the merchants want to do.

20 Another aspect of the invention is that the retail merchants that occupy space in the microenvironment can be those that are not ordinarily retail merchants, but product manufacturers and producers with recognizable brand names that normally sell their products through other retail stores. For example, a company that makes and sells

designer sunglasses might ordinarily sell their products through department stores and other specialty sunglass stores. What the microenvironment allows the mall developer to do, however, is to attract these manufacturers and producers that would not ordinarily operate a retail establishment and give them an incentive to occupy retail space at the  
5 mall. One of the incentives is that the activities assigned to the microenvironment can help promote their particular products and services. Another is that the producer of the product stands to earn the full mark-up price on each product sold, i.e., by avoiding the retail margin that would otherwise be given to the retail merchant.

The invention has been described in terms of the preferred embodiments  
10 discussed above, but it is contemplated that other embodiments not specifically discussed are also within the contemplation and scope of the present invention.